

The City Council of the City of Newton held a budget work session at 5:30 PM on Monday, May 17, 2004 at City Hall with the following present: Mayor Robert Mullinax, Council Members Wayne Dellinger, Al Gaither, Tom Rowe, Anne Stedman, Tom Dixon, Roy Johnson, City Manager Edward Burchins, City Attorney Larry Pitts, Assistant City Manager Glenn Pattishall and City Clerk Rita Williams.

Mayor Mullinax called to order a budget work session which was reconvened from the May 4th regular City Council meeting. He said the work session was being held to continue review of the proposed FY 2004-2005 budget.

City Manager Burchins stated that his plan was to review the General Fund proposed budget tonight. He said the budget proposes to hold the tax rate at \$.44 cents per 100 valuation. He said reductions in Local Option Sales Tax, Utility Franchise taxes and a drop to 95-96% collection in the City's advalorem taxes has impacted on the City's revenues. He said a fund balance appropriation of \$373,000 is proposed to offset one-time expenditures to be paid in cash.

Council Member Dixon said the City provides health insurance for Council members at an approximate cost of \$5,400 per year but all Council members do not take advantage which results in Council members not receiving the same compensation. He questioned whether health insurance should be provided to the Council.

Council Member Dellinger stated that health insurance has been provided to the Council as long as he could remember as part of their benefit package since Newton's Council Members receive a lower rate of pay than most cities.

Council Members discussed the matter and voiced varied opinions on the matter. Mayor Mullinax recommended that this question be reviewed again at a later meeting.

Council Member Stedman, who was late coming to the meeting, took her seat.

City Manager Burchins, Finance Director Baker and Department Heads reviewed line items in the Governing Board, Administration and Finance Department's budgets, key objectives in each department and also reviewed recommended increases or new costs for the following:

cemetery lots and inground cremations
return checks presented for payment
connect, restore service, administrative after hours charges, meter testing, meter tampering, temporary service, etc.
utility deposits for non-homeowners
commercial and industrial utility deposits
security lights

The Council discussed the proposed costs for cemetery lots and they stated that they wanted to make sure the costs being proposed would make the new cemetery self-sustaining. Also, it was mentioned that perpetual care fees should be reviewed.

Mr. Burchins stated he would have the staff to check to see if Newton's proposed rates are competitive with others in the area.

One of the key objectives included for the Finance Department in FY 2004-2005 was the development of a Comprehensive Financial Policy which will address financial planning, budget development, budget amendments and adjustments, debt management, and cash and investment management.

Mayor Mullinax stated that he thought this Policy would be good for future

financial planning.

Human Resources Director Teresa Laffon reviewed the budget for the Human Resources Department and stated the budget includes funds for a Personnel Pay and Classification Study which has not been done for the past five years. City Manager Burchins stated that the budget includes a 3% cost of living for all employees but does not include any merit increases.

The Council discussed funding for agencies in the Special Appropriations. The Council agreed to charge \$5.00 per car for entry into the Fourth of July celebration to help defray the costs of the event. After considerable discussion, the Council tentatively agreed on the following:

No funding was included for the Rescue Squad but City Manager Burchins was authorized to ask Fire Chief Yoder to contact the Rescue Squad to see if they needed any funds.

\$20,550 was allocated for the Municipal Service District for the Downtown Newton Development Association (DNDA) - The Council authorized Mr. Burchins to contact Stan Winstead for a report on NewtonFest and the outcome of the fall survey which the DNDA sent out to merchants and property owners. Several Council Members said that merchants did not feel they were receiving any benefits for their Municipal Service District tax.

\$3,000 to be given to the Depot Authority

\$4,000 to be given to the Corner Table

Public Works and Utilities Director Marty Wilson reviewed the proposed budgets and key department objectives for Public Works Administration, the Garage, Streets/Drainage and Sanitation Departments. He further reviewed proposed increases in fees for street cleaning, street washing, new driveway cuts, signs for insurance reimbursements, lot cleaning, lot mowing (for code enforcement cases), tree trimming and brush pick-up.

The Council discussed the City's present brush pick-up policy and the fact that when contractors trim trees that the City will not pick up the debris, the contractor must remove it. The concern expressed was when citizens were unable to trim trees themselves and had a family member or neighbor do it for them. They did not feel they should be considered contractors and the City should pick up the debris.

City Manager Burchins stated the staff has been considering an idea for yard waste collection and that was the issuance of another container, similar to the green garbage containers, to each residence for yard waste, etc. Another idea expressed was to encourage citizens to compost their grass clippings. Mr. Burchins stated that there may be grants available to encourage composting and that the staff would check on the matter.

The Council had a lengthy discussion on the proposed increased cost for dumpster pick-up and Mr. Wilson stated that the City's current rates do not cover the costs for the dumpster collection. Even with the proposed rate increases, Newton's rate will still be less than those charged by GDS.

The Council agreed to continue review of the General Fund budget and the utility funds tomorrow evening. The meeting was recessed until 5:30 PM on Tuesday, May 18th in the Council Chambers.

Respectfully submitted,

Robert A. Mullinax, Mayor

Rita K. Williams, City Clerk

BUDGET WORK SESSION - CITY COUNCIL - CITY OF NEWTON

MAY 18, 2004

The City Council of the City of Newton held a budget work session at 5:30 PM on Tuesday, May 18, 2004 at City Hall with the following present: Mayor Robert Mullinax, Council Members Wayne Dellinger, Al Gaither, Tom Rowe, Anne Stedman, Tom Dixon, Roy Johnson, City Manager Edward Burchins, City Attorney Larry Pitts, Assistant City Manager Glenn Pattishall and City Clerk Rita Williams.

Mayor Mullinax reconvened the budget work session which was recessed from the May 17, 2004 budget work session.

City Manager Burchins reported that at last night's budget work session, the Council had some questions regarding the proposed rates for cemetery plots. He asked Assistant City Manager Pattishall to provide information on those proposed rates.

Mr. Pattishall reported that he reviewed the notes and minutes related to proposed cemetery fees and found the following information:

- The price range for lots that was previously discussed by the Council for inside resident lots - \$850-\$1,500.
- Outside resident lots - \$1,600 - \$2,100

He said according to the minutes of the March 20, 2003 meeting, the Council was advised that lot prices would need to be between \$1,000 and \$1,500 minimum to cover expenses of purchase/development and maintenance not including a grave opening fee. He then reviewed the proposed rates:

PROPOSED RATES:

- Inside resident - \$1,200 X 40 graves/year = \$48,000
- Outside resident - \$2,400 X 10 graves/year = \$24,000
- TOTAL ESTIMATED REVENUES ANNUALLY \$72,000
- * assumes 50 lots sold per year

CEMETERY ACQUISITION/DEVELOPMENT COSTS = \$ 99,000 land purchase
 \$375,750 construction
 \$474,750 total

COST/REVENUE ANALYSIS: \$474,750/\$72,000 = 6.6 year payback but does not include maintenance expense. It is expected that initial maintenance will be minimal but will increase over time as more graves are added. Guestimate for these expenses is \$1,000/yr average or \$6,600 over a 6.6 year time frame.

Mr. Pattishall stated there was not an official grave count for the cemetery. The 5,000 figure that has been used was a maximum utilization. Not all of the cemetery will be used for graves, some will be columbariums and mausoleums, so an exact grave count is not possible. He said it was assumed that 5,000 graves will be available and if sold at the above rate of 40 in/ 10 out at the same rates over

time, the total revenues to the City would be \$7,200,000.

The Council discussed the proposed cemetery lot rates at length and a motion was made by Council Member Dixon, seconded by Council Member Stedman, and unanimously adopted to charge the following rates for cemetery lots effective July 1, 2004:

charges for existing cemeteries:	\$ 500.00 residents
	\$1,000.00 non-residents
new cemetery:	\$1,200.00 residents
	\$2,400.00 non-residents

COMPARISON OF DUMPSTER FEES:

Public Works and Utilities Director Marty Wilson reviewed the proposed dumpster rates as compared to those charged by GDS and stated that Newton's proposed rates are 15% lower.

Mr. Wilson reported there was an oversight in the Public Works Administration's proposed budget. He stated \$38,000 should have been included (rather than \$850) in the Other Services line item. He said these funds were needed for GPS, GIS and technical services from Western Piedmont Council of Governments. He said this service was needed to collect information on the location of utility lines, storm drains, regulator signs, etc. as well as keeping the City's current inventory up to date.

TIPPING FEES:

Finance Director Jim Baker stated the charge for tipping fees in the budget has been increased by 28%. He said the City's current fees are not covering the amounts being charged to the City and that the proposed increase will make the cost break even.

Police Chief David Dial reviewed the Police Department's proposed budget and the key objectives for the department. He said their response time for emergency calls is three minutes or less.

City Manager Burchins reported that presently the County receives the City's 911 calls which are then forwarded to the City. He asked the Council's feelings on the staff preparing a cost analysis on the City providing the 911 service plus the potential funding the City would receive for handling the service itself and there was Council consensus for the analysis to be done.

Fire Chief Yoder reviewed the Fire Department's proposed budget and the key objectives for the department. He also reviewed a number of proposed new fees for fire inspection services.

Council Member Dellinger stated that he thought the City should continue to provide inspection services at no cost. He said businesses pay more taxes and their taxes should offset the costs for the inspections.

Council Member Dixon asked if the proposed fees were included as revenues for balancing the budget. Mr. Burchins stated no. They were being proposed to charge businesses who are directly benefitted by the inspections. This service is not required for residential citizens.

After Council discussion regarding the proposed fees for the Fire Department, there was consensus that the fees be reduced somewhat and for the staff to bring an updated proposal to the Council for further review.

Council Member Johnson excused himself for the remainder of the meeting.

Recreation Director Sandra Waters reviewed the Recreation Department's budgets and their key objectives. She stated that she was recommending fees for the Senior Citizens Dance and the Reunion Bike Ride be increased.

Council Member Dellinger stated he wanted a report to be made to the Council on the number of residents and non-residents who participate in the various Recreation programs. Ms. Waters stated she would provide the information.

Assistant City Manager Pattishall reviewed the Planning and Economic Development Department's budget and key objectives. He also reviewed proposed increases in fees for services provided by the department. He said these increased costs are requested because many of these services require a considerable amount of staff time and include advertising costs and because fees have not been raised in at least eight years.

Council Member Dellinger requested a study be made of fees charged by neighboring governmental entities and that the information be presented to the Council. He further stated that he did not think parking lot rents should be raised as the City has finally gotten most of the spaces rented in the downtown parking lots and the rents from the lots are being collected. He said since these efforts have been made and are working that the rent amounts should be left alone.

The work session was recessed until 5:30 PM on Wednesday, May 19, 2004 in the Council Room.

Respectfully submitted,

Robert A. Mullinax, Mayor

Rita K. Williams, City Clerk

WORK SESSION - CITY COUNCIL - CITY OF NEWTON

MAY 19, 2004

The City Council of the City of Newton held a work session at 5:30 PM on Wednesday, May 19, 2004 at City Hall with the following present: Mayor Robert Mullinax, Council Members Wayne Dellinger, Al Gaither, Tom Rowe, Anne Stedman, Tom Dixon, Roy Johnson, City Manager Edward Burchins, City Attorney Larry Pitts, Assistant City Manager Glenn Pattishall and City Clerk Rita Williams

Mayor Mullinax reconvened the work session which was recessed from the May 18, 2004 budget work session.

City Manager Burchins stated that the work session was being held to receive a presentation by Mr. Sid Riddick of McKim & Creed on the Regional Water Study and to review the City's Water and Sewer Extension Plan for areas not presently served. He introduced Mr. Riddick to the Council.

Mr. Riddick stated that the Cities of Newton and Hickory, along with Catawba County, authorized the preparation of the Water Production Study to determine if the water facilities are in compliance with current/proposed drinking water requirements; and if the facilities can meet water demands projected through the year 2020; to determine the actual water production costs for Newton and Hickory; and to evaluate operating and management alternatives for each water treatment

system.

SECTION 2.0 – FACILITIES EVALUATION:

Mr. Riddick stated the water source and treatment facilities serving Newton and Hickory were evaluated with respect to meeting applicable regulatory requirements. Key findings include:

- A. Newton's 8.0 million gallon per day (mgd) system meets all applicable State and Federal regulations. This evaluation identified concerns for the raw (untreated) water intake and storage reservoir, which are being addressed with a current \$4.0 million construction project.

Hickory's 32.0 mgd system meets all applicable regulatory requirements.

- B. Newton's raw water intake is located on the Jacob Fork River. Stream flow estimates during the drought in 2002 indicate that in similar future events, the seven day low flows may approach or be somewhat less than the full capacity of the treatment plant. Hickory's 32.0 mgd supply in Lake Hickory is very reliable.
- C. Both systems have been evaluated by the NCDENR, Division of Environmental Health. Newton's system has a "moderate" Susceptibility Rating, while Hickory's system has a "higher" Susceptibility Rating.

SECTION 3.0 – POPULATION AND DEMAND FORECASTS

Population and water demand forecasts were prepared for Newton, Hickory, and Catawba County. Through 2020, the estimated population in the County will be about 190,000 persons. It is estimated that approximately half of the County will be served by a municipal water system.

Water demands were prepared in five-year time steps through 2020. The "maximum month" daily demand on Newton's facility is estimated to be 6.06 mgd, or about 75% of the rated capacity. Hickory's projected "maximum month" daily demand will be about 18.16 mgd by 2020, or about 56% of the system capacity. The combined "maximum month" demand for both systems in 2020 is about 24.22 mgd.

SECTION 4.0 – CAPITAL NEEDS ASSESSMENT

Mr. Riddick stated that this evaluation did not identify any new capital projects that would be needed by either Newton or Hickory to meet production demands or projected regulatory requirements.

SECTION 5.0 – WATER PRODUCTION COST

An analysis of the water and sewer enterprise funds for Newton and Hickory was performed to separate water production costs of each system from other utility functions. Using this information, system operating costs were projected through 2020, and unit water production costs estimated. Newton's water production costs are estimated to range from \$1.13 to \$1.37 per 1,000 gallons over this period. Hickory's production costs are estimated to range between \$0.56 to \$0.68 per 1,000 gallons over the same period. Hickory's production costs are estimated to be approximately half the production cost for Newton.

Total water costs (including production, distribution, administration, and management) were estimated for Newton and Hickory. Through 2020, the estimated total water cost for Hickory is expected to be 25% to 35% lower than for the Newton

system, reflecting the operating efficiencies of a larger system.

SECTION 6.0 - WATER PRODUCTION ALTERNATIVES

Four water production or system management alternatives have been evaluated. These include maintaining separate systems; Hickory operating the Newton treatment facility; Newton purchasing a fixed amount (2.0 mgd) of water from Hickory; or either system using the pipelines of the other system to deliver water to potential customers.

The "production" options were evaluated on a cost basis to predict the resulting impact on customers for each system. Maintaining separate systems represents the most favorable situation (lowest cost) for Newton's customers. Hickory's cost structure is lowered if Hickory furnishes all or part of Newton's water.

A detailed analysis of the final option, delivering water to customers of one utility through pipelines owned by another utility, was evaluated; but no specific conclusion was reached. Potential technical and management issues with such an arrangement were identified. None preclude this option to meet specific water service needs of portions of the County. Before a detailed financial analysis can be performed, a specific service option would need to be identified.

SECTION 7.0 - SUMMARY, FINDINGS AND RECOMMENDATIONS

7.1 Summary

Newton operates an 8.0 mgd water production system which draws water from the Jacob Fork River. Hickory operates a 32.0 mgd water production system which uses Lake Hickory as its water source. Both systems were evaluated with respect to current Safe Drinking Water Act requirements and sound operating principals. Each system currently complies with SDWA requirements and State regulatory requirements.

The source water supply for Hickory is very reliable. The source water supply for Newton is from the Jacob Fork River, which is subject to wide variations in flow. During the drought of 2002, the low end of the estimated range of low flow was less than the full capacity of Newton's water plant.

Population forecasts were used to create average annual and maximum monthly water demands for each plant, and the County as a whole. Newton's maximum monthly demands are projected to reach about 6.06 mgd by 2020. Hickory's maximum monthly demands are projected to be about 18.16 mgd by 2020. In each case, the capacity of the water production system is adequate to meet 2020 demands without expansion. The work did not discover any unexpected issues at either treatment plant that will require capital expenditures beyond those already identified in the budgets for Newton and Hickory.

Existing financial data were analyzed, and "cost of service" for the water systems for Newton and Hickory were identified. Based on this review and current operations, Newton's cost of water production is about twice that of Hickory on a cost/1000 gallons basis. The cost of service for administration and billing is about the same for Newton and Hickory on a cost/1000 gallons basis. Newton's total cost/1000 gallons is projected to be 25% to 35% higher than Hickory. The differences are reflective of the operating efficiencies of a larger system and economies of scale.

Alternatives to the continued operation of separate utilities were reviewed, including Newton purchasing part or all of its water from Hickory. Although

Hickory's production costs are significantly less than Newton's, maintaining separate systems results in the lowest cost/1000 gallons for Newton's customers.

7.2 FINDINGS

Mr. Riddick stated that key findings of this study are summarized as follows:

- A. Both Newton and Hickory have well operated/maintained water production systems, with capacity to meet projected year 2020 demands.
- B. Newton's source of supply, the Jacob Fork River, may have low flows during severe droughts that may not meet customer demands that are projected to occur around 2020.
- C. Newton and Hickory should continue with separate systems. This yields the lowest cost of water to Newton on a per 1000 gallons basis.

This study did not identify any operational or financial justification to consolidate the water utility operations of Newton and Hickory. There are, however, issues of redundancy/reliability, particularly for Newton, that should be addressed. It would be prudent for Newton to negotiate with Hickory to purchase water on an emergency basis.

The Southeastern Catawba County water transmission loop delivers water from Hickory to Maiden. Soon, Maiden will be solely dependent on Hickory for its water supply. An interconnect that allows Newton to supply water to this pipeline on an emergency basis will increase the overall system reliability.

7.3 RECOMMENDATIONS

Mr. Riddick stated the following recommendations are presented:

- A. Newton and Hickory should continue to operate separate water production systems.
- B. Newton should evaluate the low-flow characteristics of the Jacob Fork River and the available storage in City Lake to develop a "safe yield" of its water supply to meet projected needs in 2020 and beyond.
- C. Newton and Hickory should negotiate a contract for an emergency interconnect between the systems at Startown Road and NC 10 or other suitable location, and for interconnects at the Towns of Catawba, Maiden, and Sherrills Ford.
- D. Catawba County should complete the development of a comprehensive water system model which can be effectively used to plan future water line extensions.

The Council discussed the report and its findings at length and several Council Members stated it did not show a true picture of Newton's water system. The Council discussed the following issues which they felt should be considered in the report to give a more accurate finding of fact of Newton's water system capabilities:

- 1. Newton's last debt payment on the water plant will be paid off in 2007, no cost projections were given beyond 2007.
- 2. Newton's and Hickory's water can be blended if the specifics are known, this matter needed to be considered.

3. The Council felt Denny Anderson's report on the City's CIP/debt/finances was not accurate which impacted on the City's water production costs shown in the report.
4. There is a need for two water sources in the County.
5. Distribution of water service in the County needs to be analyzed before additional lines are built, presently many lines parallel each other.
6. Newton should be able to serve areas in close proximity to Newton.
7. When water flow tests were made on the Jacobs Fork River in the drought of 2002, the Council felt the tests presented inaccurate flows of the river as additional testing should have been done over a period of time. Also, improvements being made to City Lake will increase the City's water storage capacity and construction of a new weir at the water intake will also help.
8. A sophisticated study should be done to determine who should serve areas in the county without political implications.

Mr. Riddick stated that the report was not intended to be negative and was prepared by the information they were given by Newton, Hickory and the County. He said he would be glad to meet with City Manager Burchins, Finance Director Baker, Marty Wilson and Anderson to review any information the Council felt was inaccurate or needed to be further reviewed.

Mayor Mullinax thanked Mr. Riddick for his report and stated the staff will schedule a time to meet with him and Mr. Anderson.

Mayor Mullinax stated that discussion on water and sewer areas not currently served will be rescheduled.

There being no further discussion, the meeting was adjourned.

Respectfully submitted,

Robert A. Mullinax, Mayor

Rita K. Williams, City Clerk

REGULAR MEETING - CITY COUNCIL - CITY OF NEWTON

MAY 19, 2004

The City Council of the City of Newton held a regular meeting at 7:00 PM on Wednesday, May 19, 2004 at City Hall with the following present: Mayor Robert Mullinax, Council Members Wayne Dellinger, Al Gaither, Tom Rowe, Anne Stedman, Tom Dixon, Roy Johnson, City Manager Edward Burchins, City Attorney Larry Pitts, Assistant City Manager Glenn Pattishall and City Clerk Rita Williams.

ITEM 1 - CALL TO ORDER ITEM.

Mayor Mullinax called the meeting to order and welcomed citizens in the audience.

ITEM 2 - OPENING - COUNCIL MEMBER GAITHER.

Council Member Gaither gave the invocation and led the Pledge of Allegiance.

ITEM 3 - APPROVAL OF MINUTES OF THE MAY 4, 2004 REGULAR MEETING AND MAY 11, 2004 BUDGET WORK SESSION.

A motion was made by Council Member Johnson, seconded by Council Member Rowe, and unanimously adopted that the minutes of the May 4, 2004 regular meeting and May 11, 2004 budget work session be accepted as submitted.

ITEM 4 - CONSIDERATION OF APPROVAL OF CONSENT AGENDA ITEMS.

A motion was made by Council Member Rowe, seconded by Council Member Stedman, and unanimously adopted that items A and B on the Consent Agenda be approved and that item C be approved including any minor changes which may need to be made if approved by the City Attorney and staff:

A. Tax release. (Adopted)

<u>Year</u>	<u>Rel. #</u>	<u>Name</u>	<u>Reason</u>	<u>Amount</u>
2003	47	Michael D. Caldwell	Unreg. Veh. Tagged	\$ 8.14

B. Consideration of initiating court proceedings on Rickie/Annette Killian code enforcement cases.

RESOLUTION #14-2004
RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF NEWTON

CONCERNING:

OWNER/OCCUPANT/TENANT: Mr. Rickie Killian and Ms. Annette Killian

OWNER'S ADDRESS: 1516 N. Deal Ave., Newton, NC 28658

PROPERTY ADDRESS: 1516 N. Deal Ave., Newton, NC 28658 TAX MAP REFERENCE: MAP 029N,
BLOCK 04 LOT 05 (COUNTY Catawba)

PIN: 3730 08 89 4195

BEING A RESOLUTION directing the City Attorney for the City of Newton pursuant to Chapter 16 Nuisances of the City of Newton Code to petition the Superior Court of the General Court of Justice of the State of North Carolina for an order directing such owner named herein to comply with Order of the Code Enforcement Officer as authorized by Chapter 16, Sections 16-6 and 16-7 Nuisance of the City Code; and

WHEREAS, the City Council of the City of Newton finds that the property herein described is a safety and health hazard to the public under the provisions of the Nuisance Code and that the provisions of said Code have been complied with as a condition to the adoption of this resolution; and

WHEREAS, the owner of said property has failed and refused to comply with a lawful order of the Code Enforcement Officer to remove the same to meet the requirements of Nuisances Code within the time period prescribed;

NOW, THEREFORE; be it resolved by the City Council of the City of Newton that the City Attorney for the City of Newton pursuant to Chapter 16, Sections 16-6 and 16-7 Code of the City be authorized and directed to petition the Superior Court of the General Court of Justice of the State of North Carolina for an order directing such owner named herein to comply with Order of the Code Enforcement Officer as

authorized by the North Carolina General Statutes, said Order of the Code Enforcement Officer being dated April 12 and 21, 2004 and incorporated by reference into this Resolution.

ADOPTED THIS 19th DAY OF MAY, 2004.

ROBERT A. MULLINAX, MAYOR

ATTEST:

RITA K. WILLIAMS, CITY CLERK

RESOLUTION #15-2004
RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF NEWTON

CONCERNING:

OWNER/OCCUPANT/TENANT: Mr. Rickie Killian and Ms. Annette Killian
OWNER'S ADDRESS: 1516 N. Deal Ave., Newton, North Carolina 28658
PROPERTY ADDRESS: 1516 N. Deal Ave., Newton, NC 28658
TAX MAP REFERENCE: MAP 029N, BLOCK 04, LOT 05 (COUNTY Catawba)
PIN 3730 08 89 4195

BEING A RESOLUTION directing the City Attorney for the City of Newton pursuant to Chapter 14A Abandoned, Nuisance and Junked Motor Vehicles of the City of Newton Code to petition the Superior Court of the General Court of Justice of the State of North Carolina for an Order directing such owner named herein to comply with Order of the Code Enforcement Officer as authorized by Chapter 14A (Abandoned, Nuisance and Junk Motor Vehicles), Sections 14A-3; 14A-4; 14A-5.

WHEREAS, the City Council of the City of Newton finds that the property herein described contains vehicles which are safety and health hazards to the public under the provisions of the Abandoned, Nuisance and Junked Motor Vehicles Code and the provisions of the Nuisance Code and that the provisions of said Code have been complied with as a condition to the adoption of this resolution; and

WHEREAS, the owner of said property has failed and refused to comply with a lawful order of the Code Enforcement Officer to cause said vehicles to meet the requirements of Abandoned, Nuisance and Junk Motor Vehicles Code with the time herein prescribed;

NOW, THEREFORE; be it resolved by the City Council of the City of Newton that the City Attorney for the City of Newton pursuant to Chapter 14A, Abandoned Nuisance and Junked Motor Vehicles, Sections 14A-3; 14A-4; 14A-5 Code be authorized and directed to petition the Superior Court of the General Court of Justice of the State of North Carolina for an order directing such owner named herein to comply with Order of the Code Enforcement Officer as authorized by the North Carolina General Statutes, said Order of the Code Enforcement Officer being dated April 12 and 21, 2004 and incorporated by reference into this Resolution.

ADOPTED THIS THE 19TH DAY OF MAY, 2004.

ROBERT A. MULLINAX, MAYOR

ATTEST:

RITA K. WILLIAMS, CITY CLERK

- C. Consideration of adoption of contract with Catawba County for sewer service to Blackburn Landfill. (Adopted)

ITEM 5 - PUBLIC HEARING ON DUMPSTER SCREENING TEXT AMENDMENT.

Mayor Mullinax recessed the regular meeting and called to order a public hearing, as previously scheduled and advertised, to consider a proposed text amendment to dumpster screening.

Assistant City Manager Pattishall stated that currently Section 26-7.15 of the Newton City Code requires that all new buildings and uses except for single and two family dwellings provide for a central area in which solid waste is to be stored. It also requires that such areas be screened from adjacent properties by an enclosure constructed of materials compatible with the materials of the building. He said recently developers have questioned the existing regulation based upon claims of excessive cost and reasonableness in specific circumstances. He said developers of the Startown Crossing Shopping Center at the intersection of Highway #10 and Startown Road makes an argument the staff found worthy of consideration. They claim that due to other screening provided, topography of land, placement of the dumpster and a \$15,000 construction cost that requiring a brick enclosure was unreasonable.

He said the proposed text amendment would give the Planning Director authority to make a decision on a case by case basis and that the Planning Commission recommended unanimously that the amendment be approved.

Mayor Mullinax asked if there was anyone in the audience who wanted to speak for or against the proposed text amendment and no one appeared to speak. He closed the public hearing and called the Council meeting back into session.

After discussion, a motion was made by Council Member Johnson, seconded by Council Member Dellinger, and unanimously adopted to approved the text amendment as outlined.

ORDINANCE #2004.26 ATTACHED

ITEM 6 - OLD BUSINESS: NONE

ITEM 7 - NEW BUSINESS:

- A. Consideration of modification to approved plan for The Squire Development.

Assistant City Manager Pattishall reported that in March of 2002, the Board of Aldermen considered modification of the previously approved plans for The Squire Development. The proposed modifications were approved and shortly thereafter, at the request of the developer, the City accepted a \$26,000 dollar bond as security to guarantee that the improvements would be made in accordance with the modification. Before the improvement were ever made, the owner went bankrupt and the improvements were not made.

Mr. Pattishall said the new owner has been working with the City regarding finishing the project. After an estimate was obtained to complete the modifications that were approved, it was determined that the cost would far exceed \$26,000. He said the new owner is requesting modification of the plans as they will make the development more attractive. Their planned modifications are to border all sides of the property with the exception of the eastern side with Leyland Cypress trees as they feel this will better serve the residents than an eight-foot tall wooden fence. Mr. Pattishall stated the eastern quadrant will have a minimum of six parking spaces as per the original plan; and if possible, two additional spaces will be added. Parking stops will be utilized for safety and drainage purposes. A french drainage system will be installed between the parking and building to handle additional drainage and will replace the original retaining walls proposed in the original

plan. The dumpster will be screened with like material of the buildings and restoration of the ground cover will be done upon completion of the project.

Mr. Tom Hardman, new owner of The Squire, requested the Council give favorable consideration to modification of the approved plan.

A motion was made by Council Member Johnson, seconded by Council Member Gaither, and unanimously adopted to approve the modifications to The Squire Development as requested.

ITEM 8 - CITY MANAGER'S REPORT.

A. Discussion on request for political booths at 4th of July celebration.

City Manager Burchins stated that the City has ordinances regulating political activity on City property. Although, the 4th of July celebration will be held at the American Legion Fairgrounds this year, he wanted the Council's direction about allowing political activities during City sponsored activities.

Council Member Johnson, who is the Council's representative on the Recreation Commission, reported that the Commission has recommended political activities not be allowed. The Council concurred with the Recreation Commission's request.

B. Draft Local Bill

City Manager Burchins reported that the County has offered to participate with development of the Jacobs Fork Park by providing grading, land moving services, etc. to the Park. However, NC GS 143-135 Limitation of application of Article of the North Carolina General Statutes currently states that "Except for the provisions of G. S. 143-129 requiring bids for the purchase of apparatus, supplies, materials or equipment, this Article shall not apply to construction or repair work undertaken by the State or by subdivisions of the State of North Carolina (I) when the work is performed by duly elected officers or agents using force account qualified labor on the permanent payroll of the agency concerned and (ii) when either the total cost of the project, including without limitation all direct and indirect costs of labor, services, materials, supplies and equipment does not exceed one hundred twenty-five thousand dollars (\$125,000) or the total cost of labor on the project does not exceed fifty thousand dollars (\$50,000)". He said Newton is requesting a local bill be introduced for this portion of Section 143-135 to be changed to "seven hundred thousand dollars (\$700,000)" and that this act apply only to the construction of a park on City of Newton property on North Carolina Highway #10 West to enable the County to participate in the Park's development. Mr. Burchins stated Rep. Mitchell Setzer has agreed to sponsor the bill if authorized by the Council.

A motion was made by Council Member Johnson, seconded by Council Member Dixon, and unanimously adopted to authorize the introduction in the N. C. Legislature of a private bill to increase the force account work limits of NCGS 143-135 for Jacobs Fork Park.

C. Cemetery project underway.

City Manager Burchins gave a status report on the cemetery project which is underway and he stated that adjoining property owners have been updated on the status of the project.

Assistant City Manager Pattishall gave a status report on the Heritage Trail Greenway project. He said by using City forces, the portion between West 7th Street

and the spur going into County property can be done. He said they were working out details to begin the first phase of the project.

City Manager Burchins reminded Council meetings of the following upcoming meetings:

5:30 PM -	May 20 th	Work session on budget
8:00 AM -	May 24 th	Legislative Breakfast
6:30 PM -	May 25 th	WPCOG Policy Board meeting and dinner
	June 8 th	Legislative reception in Raleigh
	June 9 th	Town Hall Day in Raleigh

Mr. Burchins stated that during last night's budget work session, there was concern regarding the budget format and he stated that the format has been changed and new copies of the budget were distributed. He said at tomorrow's budget work session, the staff and Council would review the budget further and discuss items brought up by the Council at last night's meeting.

There being no further discussion, the meeting was recessed until 5:30 PM on Thursday, May 20, 2004 in the Council Room.

Respectfully submitted,

Robert A. Mullinax, Mayor

Rita K. Williams, City Clerk

WORK SESSION - CITY COUNCIL - CITY OF NEWTON

MAY 20, 2004

The City Council of the City of Newton held a work session at 5:30 PM on Thursday, May 20, 2004 at City Hall with the following present: Mayor Robert Mullinax, Council Members Wayne Dellinger, Al Gaither, Tom Rowe, Anne Stedman, Tom Dixon, Roy Johnson, City Manager Edward Burchins, City Attorney Larry Pitts, Assistant City Manager Glenn Pattishall and City Clerk Rita Williams

Mayor Mullinax reconvened the work session which was recessed from the May 19, 2004 regular meeting.

City Manager Burchins stated that the proposed budgets for the Water and Sewer Fund and Electric Fund would be reviewed.

Mr. Burchins reviewed the revenues for the Water and Sewer Fund and stated that the proposed budget includes an increase in customer service charges on both water and sewer service in the amount of \$1.00 each per month.

Public Works and Utilities Director Marty Wilson reviewed proposed increases in connection fees (availability charge) and stated that the fee includes one meter per tap. He also reviewed proposed increases in S/U (significant user) monitoring fees.

Finance Director Baker reviewed the water and sewer special appropriations and Mr. Wilson reviewed the needed water and sewer operations non-capital outlay items and the key objectives for the department.

Mr. Burchins stated that \$300,000 is shown in the revenue account and that is where Newton fronted money to Conover for their sewer hook-up but will be paid back by Conover. He said he recommended that the City take \$667,000 and use it to pay the increase in debt service payments attributable to the water improvements to the raw water reservoir and the weir at the water intake. He further recommended that \$700,000 be put into the Electric Fund for retained earnings.

Mr. Burchins stated that he also would like to discuss with the Council at a later meeting the possibility of refinancing and restructuring the City's debt.

Mr. Wilson reviewed the proposed Electric Fund and the needed capital items and the key objectives for the department. He also reviewed minimal increases in proposed fees and charges for changes in customer's overhead service to underground service and for the sale and disposition of surplus utility poles and cross arms.

Powell Bill Fund:

Mr. Wilson stated Powell Bill Funds have to be used for City maintained streets. He distributed a recommended list of street paving projects for the Council's consideration. He said \$160,250 is included in the budget for resurfacing which includes improvements to the E. 11th Street/Caldwell Avenue intersection. He said \$90,000 was also included for sidewalk work.

Health Insurance Fund:

Finance Director Baker stated that the Health Insurance Fund includes the lowest increase the City has ever had and that no rate increase will be passed on the employees.

Federal Asset Seizure Fund:

Mr. Baker stated that including this fund in the budget avoids the staff having to come back to the Council for budget amendments when funds are received.

Mr. Burchins stated at the last budget work session, the Council questioned differences in salary line items from last year's budget and he requested they look at the new budget sheets which shows the actual amount budgeted for salaries and that there is little difference in the amounts. He also requested the Council review the revised permit fees for the Fire Department.

There being no further discussion, the meeting was recessed until 5:30 PM on June 1st in the Council Room, prior to the regular meeting, to give the Council an opportunity to further discuss any item they have a question about before the proposed public hearing on the budget is held.

Respectfully submitted,

Robert A. Mullinax, Mayor

Rita K. Williams, City Clerk